UNITED
NATIONS

A

General Assembly

Distr.
GENERAL

A/AC.109/1026
23 March 1990

ORIGINAL: ENGLISH

SPECIAL COMMITTEE ON THE SITUATION WITH
REGARD TO THE IMPLEMENTATION OF THE
DECLARATION ON THE GRANTING OF
INDEPENDENCE TO COLONIAL COUNTRIES
AND PEOPLES

ANGUILLA

Working paper prepared by the Secretariat

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I. GENERAL

1. Anguilla lies 240 kilometres east of Puerto Rico, 113 kilometres north-west of Saint Kitts and Nevis and 8 kilometres north of St. Maarten/Saint-Martin. The Territory has a total land mass of 96 square kilometres and includes several offshore islets. The Department of Trade of the United Kingdom of Great Britain and Northern Ireland operates a lighthouse station on Sombrero Island, one of the offshore islands. The main island has a maximum length of 26 kilometres and a maximum width of 5 kilometres. There is no dominant urban area in Anguilla although certain areas are more closely settled than others. The government headquarters and the main settlement area are located in the Valley.

2. The climate is tropical, with a mean monthly temperature of about 25 degrees Centigrade and a mean monthly relative humidity of over 70 per cent. Because of Anguilla's topography, rainfall is low and erratic. The islands lie in the hurricane zone and a hurricane watch is observed between July and October.

3. The population, which the 1984 census placed at 6,842, was estimated at 7,200 in mid-1988. Population density increased from 75 persons per square kilometre in 1984 to 79 in 1988. 2/ There are a small number of expatriate residents, mainly from the United Kingdom, Canada and the United States of America. According to the administering Power, several thousand Anguillans and their families live and work outside Anguilla, mainly on adjacent Caribbean islands (St. Maarten/Saint-Martin, St. Kitts and Nevis, Antigua and Barbuda, the United States Virgin Islands and Puerto Rico) and in the United Kingdom and the United States.

4. A United Nations mission visited the Territory in September 1984 and later held consultations in London with representatives of the administering Power (see A/AC.109/799).

II. CONSTITUTIONAL AND POLITICAL DEVELOPMENTS

A. Constitution

5. An outline of the Anguilla (Constitution) Order, 1982, is given in the report of the Visiting Mission (A/AC.109/799, paras. 19-27). Briefly, the Government of Anguilla consists of a Governor, an Executive Council and a House of Assembly. The Governor, who is appointed by the Queen, is responsible for defence, external affairs, internal security, including the police, and the public service. He also holds reserved legislative powers under the authority of the Secretary of State for Foreign and Commonwealth Affairs of the United Kingdom. On all other matters, the Governor is required to consult with, and act on the advice of, the Executive Council. In September 1989, 3/ the local press reported that Mr. Brian John Canty had been appointed Governor of the Territory, replacing Mr. Geoffrey Owen Whitaker.

6. The Executive Council consists of the Governor as Chairman, the Chief Minister, Mr. Emile Gumbs, three other ministers and two ex officio members (the Attorney-General and the Permanent Secretary of Finance). The Secretary of the Executive Council is appointed by the Governor after consultation with the Chief Minister.

7. The House of Assembly comprises a Speaker, seven members elected from single-member constituencies, two ex officio members (the Attorney-General and the Permanent Secretary of Finance) and two nominated members. These members are appointed by the Governor, one on the advice of the Chief Minister and the other after consultations with the Chief Minister.

8. The law of Anguilla is the Common Law of the United Kingdom, together with all legislation inherited from the former Associated State of St. Kitts-Nevis-Anguilla up to August 1971 and the local legislation enacted since that date. The law is administered by the Eastern Caribbean Supreme Court, which comprises a Court of Appeal and a High Court of Justice, courts of summary jurisdiction and magistrate courts.

B. Constitutional developments

9. A detailed account of the main points and questions raised in the report of the Constitution Review Committee appointed by the Governor 4/ is contained in the 1989 working paper prepared by the Secretariat (see A/AC.109/975, paras. 15 and 16. See also A/AC.109/975/Add.1, annex). Additional information on constitutional developments gathered from published reports is set out below.

10. According to a press report, 5/ in a letter dated 3 November 1989, Mr. Geoffrey Whitaker, the outgoing Governor of Anguilla, informed the island's Chief Minister and the members of the Anguilla House of Assembly that, according to the Office of the Secretary of State for Foreign and Commonwealth Affairs, the Government of the United Kingdom was not prepared to reconsider its position on constitutional change for Anguilla. The United Kingdom had agreed, however, to several of the changes recommended by the Anguilla House of Assembly based on the report of the Constitution Review Committee. These changes include the controversial "belonger" status for children of Anguillan parents born in non-Commonwealth Territories, such as the United States Virgin Islands and St. Maarten/Saint-Martin, as well as the decision that the post of Permanent Secretary of Finance should not carry membership in the Executive Council or the House of Assembly. The changes agreed upon have been referred to the Legal Advisors of the Foreign and Commonwealth Office, who were instructed to begin work on the amendments, with a view to implementing them in early 1990.

11. According to the same press report, the Foreign and Commonwealth Office had not changed its position regarding the restriction or delegation to the Ministers of any or all of the Governor's special responsibilities without setting a time for independence. The report added that "a Constitutional Conference would be held in London only after a decision has been taken by a Territory to proceed towards independence". The report further said that the Foreign and Commonwealth Office

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had refused to consider the creation of a fifth ministerial post or a change in the number of ministers from a maximum of four to a minimum of four. Such a change, reportedly, would have eased the current work-load of the four ministers, who at present carry two or more separate ministries in their respective portfolios.

12. The fifth Anguilla House of Assembly met for the first time in May 1989. The meeting was not attended by the two nominated members of the House, whose appointment by the Governor had been prevented as a result of a disagreement between the outgoing Governor and the elected Government. Mr. Whitaker had decided to consult with the Opposition on the appointment of the second nominated member, in accordance with the constitutional change which the House of Assembly had passed and sent to the Foreign and Commonwealth Office for consideration. According to the current Constitution, however, the Governor should appoint the second nominated member after consultation with the Chief Minister. 6/

13. The Foreign and Commonwealth Office agreed to leave the decision regarding the nominated members to local consensus. It indicated, however, that should no consensus be reached by the middle of January, the status quo would remain and, in that case, the majority Government would nominate the two members of the House. 5/

14. In January 1990, a government delegation visited London to discuss with officials of the Foreign and Commonwealth Office the amendments to the Constitution. The delegation was headed by the Chief Minister and included the Governor, Mr. Alan Norman Hoole, the Attorney-General, and Mr. Hubert Hughes, the Opposition Member of the House of Assembly. The Attorney-General said that the subjects to be discussed would include the appointment of a Parliamentary Secretary/Deputy Governor, the question of nominated membership in the House of Assembly and the provision for a Leader of the Opposition. 7/

C. Political parties and elections

15. The last general elections in the Territory were held on 27 February 1989 and resulted in the re-election of Chief Minister Emile Gumbs. His party, the ruling Anguilla National Alliance (ANA) won three of the seven seats contested. The ANA position was further strengthened when an independent elected member rallied to the party. As a result, ANA now controls four of the seven seats in the House of Assembly. 8/ The opposition party, the Anguilla United Party (AUP), won two seats and the Anguilla Democratic Party (ADP), one seat. Following the announcement of the results, the Opposition alleged that the elections were marked by irregularities, including briberies and the flying in of Anguillans from abroad to vote for the Government. 9/

16. There is no provision in the Constitution for absentee balloting. During the last four general elections, it had been the practice of the political parties to airlift Anguillans from abroad into the Territory to vote. The numbers of these returnees are said to be have been so significant in some constituencies that they had determined the outcome of the elections. 8/

17. In June 1989, Mr. Whitaker, the outgoing Governor of Anguilla, appointed Minister for Finance Osbourne Fleming as Deputy Chief Minister. 10/ In another development, in September 1989, the Executive Council authorized Attorney-General Hoole to hold weekly press conferences to keep the people of Anguilla abreast of major decisions made in the Executive Council. 3/ Mr. Hoole said that all media in the Territory were to be invited to these press conferences.

D. Future status of the Territory

Position of the Government of the United Kingdom

18. In his statement before the Fourth Committee of the General Assembly on 23 October 1989, the representative of the United Kingdom stated that, regardless of the size of the Territory and the number of people involved, the wish of the inhabitants had remained the guiding principle of his Government's policy. Its aim was to ensure that the people decided for themselves what kind of political future they wanted. It was up to them to determine whether they wished to exercise their right to independence, or whether they wished instead to opt for some other status. The peoples of the remaining British dependent Territories had chosen to retain their links with the United Kingdom. His Government remained ready to respond positively in cases where independence was the constitutionally expressed wish of the people concerned. 11/

Action taken by the General Assembly

19. On 11 December 1989, the General Assembly adopted resolution 44/94 on the question of Anguilla whereby, inter alia, it reaffirmed that it was ultimately for the people of Anguilla themselves to determine freely their future political status in accordance with the relevant provisions of the Charter of the United Nations and the Declaration on the Granting of Independence to Colonial Countries and Peoples and, in that connection, reaffirmed the importance of fostering an awareness among the people of the Territory of the possibilities open to them in the exercise of their right to self-determination and independence. The Assembly called upon the administering Power to continue to take all necessary measures, in co-operation with the territorial Government, to counter problems related to drug trafficking. It also reiterated its request to the administering Power to continue to make every effort to facilitate and encourage the participation of the Territory in regional and international organizations.

E. Civil service

20. In September 1989, the Executive Council named Sir Carlisle Burton, Chairman of the Turks and Caicos Public Service Commission, as Salaries Commissioner. He was given authority to review the salaries and conditions of service in the Anguilla Public Service and to make recommendations that might assist the Government in improving the efficiency of the public service and in establishing a system of annual adjustment of public service salaries. 3/

21. In 1987, the latest year for which figures are available, there were 315 established posts in the Territory's civil service. The Government had indicated in the past that it would maintain the momentum of its training programme to ensure an efficient and effective administration. In 1988, the Government noted that a near full employment in the Territory had caused wage rates in the private sector to rise considerably. In view of that situation, the Government granted two salary increments to all public servants.

F. External relations

22. The Government of Anguilla co-operates directly with other Governments in the Caribbean and participates in regional conferences and projects organized by Governments, as well as by regional and international organizations and agencies (see also paras. 66-72 below). The Territory is a member of the Caribbean Development Bank (CDB), the University of the West Indies and the Eastern Caribbean Central Bank (ECCB).

23. In recent years several important developments in the external relations of the Territory have been witnessed. In September 1987, in outlining the policy of the territorial Government regarding its external relations, the Governor of Anguilla stated that Anguilla would continue to promote friendly relations and co-operation with its neighbours. In July 1988, the Chief Minister attended, as a special guest, the ninth meeting of the Conference of Heads of Government of the Caribbean Community (CARICOM), held in Antigua and Barbuda. In the communiqué issued by the Conference, the Heads of Government, inter alia, welcomed the interest shown by a number of countries and organizations in establishing formal relations with CARICOM, and noted the statement by the Chief Minister of Anguilla that his Government would consider applying for membership in the Community. 12/

24. Later in the same month, in his opening statement at the seventh meeting of the Monetary Council of ECCB, held on Anguilla, the Chief Minister stated that Anguilla had become increasingly aware of the need to determine its place among the family of Caribbean nations and to define its role in the development of Caribbean unity. The Chief Minister announced that Anguilla would consider the kind of relationship it would have with CARICOM as part of its overall policy of broadening its regional involvement. 13/

25. At the invitation of the Governor of the United States Virgin Islands, who acted as Chairman and host of the eleventh ministerial session of the Caribbean Development and Co-operation Committee (CDCC), the Chief Minister of Anguilla, along with the Chief Minister of the Turks and Caicos Islands, attended the session, which was held on St. Croix, United States Virgin Islands, from 20 to 22 November 1988. While at the meeting, both Chief Ministers expressed their interest in seeking associate membership in the United Nations Economic Commission for Latin America and the Caribbean (ECLAC) and CDCC (see also para. 69 below).

26. In other developments, the Police Commissioner of Anguilla attended a two-day Conference of Police Commissioners of British Dependent Territories in the Caribbean, which was held on Tortola, British Virgin Islands, in October 1988. The

Conference discussed matters relating to training, co-operation and security. The Conference in Tortola was a follow-up to a meeting held in Barbados earlier in the year. 14/

27. In November 1988, in proclaiming the week of 5 to 12 November as Anguilla-United States Virgin Islands Friendship Week, the Acting Governor of the United States Virgin Islands declared that Anguillan residents in the United States Virgin Islands, estimated at over 4,000, had become an integral part of the Virgin Islands community. He called on the people to focus their attention during that week on the culture and contributions Anguillans had made to the Territory. 15/

III. ECONOMIC CONDITIONS

A. General

28. Anguilla's development objectives remain the raising of the standard of living of Anguillans through the development of the Territory's productive potential and the provision of a wide range of employment opportunities. Tourism is the major vehicle of growth, although the Government recognizes the importance of some level of economic diversification for balanced sectoral growth. The development strategy also envisages joint ventures between the public and private sectors, thereby creating an atmosphere that would attract both local and foreign investment. In 1988, the Territory enjoyed a state of near full employment. The per capita income was estimated at $EC 9,615 in 1987. 16/

29. According to the first official estimates of the National Accounts Statistics of Anguilla published in May 1988, 2/ the Territory's gross domestic product in real terms was estimated to have increased from $EC 30.92 million in 1984 to $EC 41.32 million in 1987. Real gross domestic product was estimated to have increased by 11.6 per cent in 1987 over that of the previous year. This rapid pace of economic growth was mainly attributed to the growth of tourist-related activities, which stimulated high growth rates in other sectors of the economy, especially construction and transportation. Throughout 1988, the economy experienced positive overall growth.

30. It was reported in April 1988 that CDB was particularly interested in financing projects related to the manufacturing sector, agriculture and tourism in Anguilla. During a visit to the Territory in August 1988, the President of CDB noted that, in the past five years, Anguilla had received over $US 6.0 million in project loans from the Bank. 17/ In 1989, the United Kingdom's aid programme to Anguilla amounted to £1.8 million. 18/

B. Public finance

31. In his annual budget speech in January 1990, the Minister for Finance called upon the members of the House of Assembly to approve increases in a number of fee schedules, and pledged tighter collections as a means of balancing a proposed $EC 40.6 million budget. The Minister for Finance also told the third session of

the fifth House of Assembly that the 1990 budget was modest and that in 1989 the Government of Anguilla had experienced a deficit, after having experienced a budget surplus for a number of years.

32. The 1990 budget showed modest increases over total expenditure in 1989. There were two supplementary appropriations in 1989, one for $EC 2.5 million, and the other for $EC 4.6 million. In addition, $EC 1.9 million has been allocated to a Contingency Fund, which would limit supplementary appropriations. The total recurrent budget is estimated to increase by approximately 14 per cent, while the locally funded capital budget for 1990 shows an 8 per cent decrease in expenditure compared with 1989.

33. Major increases in recurrent expenditure were proposed for the following: Chief Minister's office (43 per cent); customs (18 per cent); electricity and water (15 per cent); medical and health hospitals (16 per cent); and police (13 per cent). Major changes were also noted in areas such as the Treasury, where a budget cut of 8 per cent had been made.

34. Despite a modest increase of 4.5 per cent, the budget for education, which totals $EC 4.5 million, remains one of the largest for 1990. The Ministry of Education received a more substantial increase in the locally funded capital budget, however. From $EC 85,000 in 1989, the budget rose to $EC 350,000 in 1990. The Ministry of Health also received a large increase in the capital budget. The increase was mainly in response to the recommendations made by Anguillan Health Service employees, who had requested a number of items that had not been provided for in the British aid package for the new hospital.

35. Mr. Franklin Connor, Permanent Secretary of Finance, told the House that as Anguilla's economy and standard of living increased, a variety of aid sources would no longer be available. Both the Permanent Secretary of Finance and the Minister for Finance outlined a number of fee increases, whereby funds could be raised to finance the budget. The fee schedules under the Liquor Licence Ordinance and the Vehicle and Road Traffic Ordinance were increased. 19/

C. Agriculture, livestock and fisheries

36. Agricultural activity in Anguilla is extremely limited by a combination of factors, including poor soil, limited arable land and irregular rainfall. The policy of the Government, however, is to increase to the greatest extent possible the degree of self-sufficiency in agricultural production. In that connection, the services of an officer from the Caribbean Agricultural Rural Development and Training Service (CARDATS) have been secured for two years with a view to training local farmers (for further details, see A/AC.109/934, paras. 22-26).

37. The territorial Government, in its National Account Statistics for 1984 to 1987, 2/ stated that the steady decline in agricultural production during that period was evidence of inadequate rainfall and the constant drift of young people to the tourist industry. It also noted that the decline in livestock production was attributable to wild dogs destroying the animals, thereby adversely affecting

sheep production in the Territory. Press reports indicate that the problem is quite severe. One livestock owner, who had lost over 1,000 head of livestock since 1986, estimated the total cost to the Territory at around $EC 4 million. 20/

38. As regards fisheries, in its report on Anguilla for 1987, CDB noted that preliminary data indicated a decline in recorded lobster exports, but that it was uncertain whether that was due to increased domestic consumption or to unrecorded exports. 21/

39. According to 1988 reports, the Canadian Government provided $EC 80,000 towards the construction of a fish market in the Territory as part of a long-term fisheries development programme; CARDATS established three experimental irrigation projects in June; and in November, the Organization of Eastern Caribbean States launched three major fisheries development projects for the Eastern Caribbean, including Anguilla. These projects would, inter alia, introduce a regional monitoring control and surveillance system, able to control foreign fishing in the sub-region; promote fisheries development through marketing; and provide training for fishermen. 22/

D. Industrial development

40. In 1988, the manufacturing sector continued to be medium- and small-scale and confined to a narrow range of activities, including the production of salt, the construction of wooden boats and other traditional operations. The territorial Government reported that the manufacturing sector was still in its infancy and that it had contributed to the gross domestic product $EC 0.38 million at current prices (or 1.2 per cent) in 1984 and $EC 0.77 million (or 1.5 per cent) in 1987. In its report, CDB noted that the high level of rainfall in 1986 had prevented the mining of salt for the second consecutive year (see A/AC.109/975, para. 45).

41. In 1988, the Government continued to pursue its development strategy of a more balanced economic base through diversification (see also para. 28).

E. Transport, communications and other basic facilities

42. The Territory is served by a network of nearly 100 kilometres of all-purpose roads, two major seaports and an airport. During the period under review, several major capital improvement projects were completed and others were in progress.

43. In the budget estimates for 1988, capital expenditure from local resources was set at $EC 2.9 million. Externally funded projects completed in 1988 included the new airport terminal and the new hospital. Those which were in progress included the comprehensive road development programme and the Canadian water development programme (see A/AC.109/975, paras. 47 and 48).

44. In June 1989, a government delegation, which was led by Chief Minister Emile Gumbs and which included Minister for Finance Osbourne Fleming, attended a meeting of CDB on Barbados to discuss financing for the Territory's capital investment programme for 1989/90.

45. The meeting was held at the request of the Government of Anguilla, which was experiencing problems regarding the two main development programmes referred to above - the water development programme, which Canada had agreed to fund, and the comprehensive road development programme, which the European Development Fund (EDF) had agreed to finance. The cost of both projects is now said to exceed original estimates.

46. The Permanent Secretary of Finance said that the representative of Canada, who had provided the meeting with his Government's final report on the funding of the water development programme, had stated that it was no longer in a position to provide the funds for the project. The Government of Anguilla had agreed to study the report to see if the original project could be broken down into smaller projects. The Government would meet again with officials of Canada, CDB and the British Development Division in the Caribbean (BDD) to study ways of financing the project.

47. The Permanent Secretary said that Anguilla, which had $EC 5 million available for the road project, had been successful in securing an additional $EC 1.5 million at the meeting from EDF and BDD. It was stated at the meeting that one of the problems was the co-ordination of the road and water projects. The Government wanted to ensure that all water and telephone lines were put in place at the same time. 23/

48. In October 1988, the Governor and the Minister for Communication, Works and Public Utilities, on behalf of the Government of Anguilla, and the Executive Director and the General Manager of Cable and Wireless (West Indies) Ltd., signed an agreement by which the company would continue to provide both internal and external telecommunication services for an additional 30 years. Telephone customers in Anguilla had more than doubled since 1984 and numbered 1,700 in 1988 (see A/AC.109/975, para. 49).

49. The territorial Government reported that the transport sector's contribution to the gross domestic product increased from 4.8 per cent in 1984 to 7 per cent in 1987. Sea transportation, mainly cruise ship and ferry service, experienced the highest growth as total sea passenger arrivals and departures increased from 117,753 in 1984 to 289,981 in 1987. 2/

F. Property and real estate development

50. In December 1989, the Government was reported to be considering a proposal for the sale of Scrub Island, one of Anguilla's offshore islets, by its owners to an international group of French, Japanese and United States bankers for a complete island resort project. The sale price for the island was said to be between $US 60 million and $US 100 million, of which Anguilla's treasury would receive $US 15 million. 24/

51. Sources indicated that the proposed development would attract up to 4,400 people to the island. The development, which is said to be unique in the Caribbean, would also feature two 220-room hotels, 70 luxury villas, a casino, a

golf course, 20 tennis courts, a marina for 180 boats, 50 shops and 30 restaurants and nightclubs.

52. The impact of the proposed sale on Anguilla and the existing tourist establishments was expected to be severe. 25/ The sale itself, if concluded, would be in direct contradiction to the ANA manifesto, which was circulated during the recent elections. During the electoral campaign, the Chief Minister, quoting the manifesto, had stated that "no further licences will be granted for exclusively owned foreign investment in the hotel sector in the near future", and "every encouragement will be given to local and joint-venture investments in the hotel sector". Other Anguillan owners of small islands were said to have advised against the proposed deal. It was not clear whether Anguillans would retain claim to any part of the island, or rights to access to the beach and coast, if the island was sold. 24/

G. Banking

53. In May 1989, the creation of the National Investment Company of Anguilla, Ltd. (NICA) was announced. A locally owned financial institution, the company was formed to give Anguillans, both at home and abroad, an opportunity to make a safe and profitable investment in the growing economy of Anguilla. NICA was incorporated on 27 January 1989. In May, it was announced that the company would put 4,900,000 shares on sale at $EC 1.00 each. 26/

54. In March 1989, the Nova Scotia Bank, a Toronto-based international bank, announced that it would open a branch on Anguilla in August. According to the local press, the branch would be fully automated, capable of providing, both locally and internationally, all the services usually offered by the Bank. These services would include consumer loans and mortgages, commercial loans and letters of credit, term deposits, current and savings accounts, and transfers throughout the Bank's international network. The Nova Scotia Bank would become the fourth commercial bank and the second international bank in the Territory. 27/

H. Insurance

55. In June 1989, the impending opening of Malliouhana Insurance Company Ltd. (MICO) was announced. The three shareholders of the new company were identified as: CDB (25 per cent of the shares); the Anguilla Mutual Insurance Company (25 per cent); and the Malliouhana Development Co-operative Society (50 per cent).

56. MICO will offer the islanders a variety of insurance coverage, including motor, fire and extended perils insurance, homeowner/householder comprehensive insurance, contractors' all risk insurance, workman's compensation, liability, marine hull and cargo insurance. 28/

I. Environment

57. During the period under review, the Government of Anguilla was faced with illegal sand-mining activities on the part of local construction companies. Local residents complained that sand excavation was ruining the beauty and endangering the ecology of the areas, in addition to threatening the livelihood of fishermen. 3/

58. The Chief Minister, said that the situation had now reached a stage where, if nothing was done, sand mining could cause serious environmental problems. He added that since the beaches were the prime feature of the tourist industry, to destroy them would be to destroy the economy of the Territory as well.

59. Faced with that situation, the Government in January 1990 initiated action through the House of Assembly to acquire land, with a view to preserving it from further damage. Minister for Finance Osbourne Fleming said that he hoped that would be a signal to all concerned that the Government could acquire land and was not prepared to sit idly and watch one of Anguilla's major resources disappear. 29/

60. In March 1989, Anguilla's Director of Fisheries attended a one-week workshop held on Dominica, under the auspices of the Caribbean Conservation Association (CCA) and the Eastern Caribbean Natural Areas Management Programme. The workshop dealt with the conservation of the environment, particularly the marine and coastal zones. It was funded by several international agencies, including the Food and Agriculture Organization of the United Nations (FAO). 27/

J. International business

61. In 1988, the Government continued to encourage foreign investment and to support the promotion of the Territory as a centre for international business and finance.

62. According to the report of the National Accounts Statistics of Anguilla, 2/ the financial sector (banking and insurance) had shown mixed results in recent years. The trend was not indicative of a change in banking or insurance habits, but was the result of the phasing out of the Anguilla branch of the Bank of America and the time lag experienced in the establishment of the National Bank of Anguilla by local residents in 1985. The report noted that the sector had grown by 10 per cent in 1986 and by 5.64 per cent in 1987, contributing about 8 per cent to the gross domestic product. Banking activities had expanded in 1986 and 1987 as the commercial banks increased their loans for consumption purposes (see A/AC.109/975, paras. 51 and 52; see also A/AC.109/976 on foreign economic interests in Anguilla, prepared for the previous session of the Special Committee).

K. Tourism

63. Tourism continued to be the main economic activity in the Territory, with potential for stimulating development in other sectors. The demands of the tourist

trade were largely responsible for the considerable activity in the construction sector, as a number of major hotels, guest houses and villas expanded room capacity. The total number of hotel rooms increased from 554 in 1986 to an estimated 724 in 1987. 30/ In the public sector, capital improvement projects included the construction of a new terminal building at Wallblake Airport and the implementation of the road upgrading programme. These developments, together with increased daily flights from Puerto Rico, the introduction of a night ferry from St. Maarten/Saint-Martin and vigorous promotional activities, were designed to ensure the continued growth of tourism. The contribution of the tourist sector to the economy increased from 25 per cent in 1984 to 29 per cent in 1987 (see A/AC.109/975, para. 53).

64. Total tourist arrivals decreased from 71,494 in 1987 to 69,482 in 1988, of which stay-over tourists, who spent an average of 9.5 days in the winter and 6.7 days in the summer, rose from 20,993 in 1987 to 28,207 in 1988, an increase of about 34 per cent. Excursionists, staying for less than one day, decreased by 18 per cent from 50,501 in 1987 to 41,275 in 1988. Total expenditure by both groups was estimated at $US 24.9 million, an increase of 31 per cent over 1987. The increase in tourist expenditure continued to grow faster over the years. In 1988, there was a sharp increase in the number of Canadian tourists in Anguilla, but tourists from the United States continued to be the largest group. 31/ There has been a downward trend in tourist arrivals between January and June for the last three years which, according to the Territory's Director of Tourism, has been due to a lack of marketing strategy on the part of the Department of Tourism, the high costs incurred by excursionists during their visit and the lack of information to tourists abroad about the island. 3/

65. In December 1989, industry officials said that the outlook for the winter season was expected to be good. But according to Mr. Clive Carty, Chairman of the Anguilla Hotel and Tourism Association, one major problem facing the Hotel Association was the lack of air carriers to and from the island. He also said that although the passage of hurricane Hugo over the Caribbean had had no physical impact on Anguilla, the adverse publicity it had generated had left a damaging effect on the island's tourist industry.

L. Assistance from organizations and institutions of the United Nations system

66. The United Nations Development Programme (UNDP) continued to be the main source of development assistance to the Territory within the United Nations system. The country programme for Anguilla approved by the Governing Council of UNDP provides the framework for external assistance to Anguilla. In the fourth programme cycle for the period 1986-1991, UNDP provided $US 1.4 million. 32/ The Territory also participates in UNDP multi-island and regional projects for Latin America and the Caribbean. In his budget speech in December 1987, the Minister for Finance commended the significant contribution that UNDP was making to the overall development of the Territory. 17/

67. The United Nations Population Fund (UNFPA) reported that its anticipated level of assistance to Anguilla, both for in-country programmes for family-life education and family planning services, and for benefits under the regional projects and programmes, was estimated at $US 35,000 in 1988 and $US 31,000 in 1989.

68. The Territory is represented at the annual meetings of the Caribbean Group for Co-operation in Economic Development, sponsored by the World Bank.

69. As stated above (para. 25), the Chief Minister attended the eleventh ministerial session of CDCC, a permanent subsidiary body of ECLAC, in November 1988. The Chief Minister expressed his interest in seeking associate membership in ECLAC and CDCC.

70. In June 1988, a consultant from the International Labour Organisation (ILO) completed a four-month assignment in the Territory in which he comnputerized the social security operations. On a previous assignment, in May 1987, the consultant had prepared legislation to extend coverage of the social security scheme to self-employed persons and to add an employee-injury branch to the existing scheme. 33/

71. In March 1989, a regional adviser from the ILO Caribbean office in Trinidad and Tobago paid a familiarization visit to Anguilla which had been arranged through the Chief Minister's office. The adviser stated that there was tremendous scope for enhancing training facilities in Anguilla as well as for the promotion and development of small-scale enterprises. He added that he had established contact with agencies and individuals concerned in those areas.

72. The ILO adviser discussed with members of the private and public sectors ways and means whereby ILO might be able to offer its assistance, particularly in the business and industrial sectors. 31/

IV. SOCIAL CONDITIONS

A. Labour

73. The development objectives of the Government are aimed at improving the living standards of Anguillans through the development of the Territory's productive potential and the provision of a wide range of employment opportunities. No new data have been provided regarding the Territory's labour force. Both the territorial Government and CDB have reported, however, that employment opportunities in the Territory have increased significantly and, as a result, wage rates have also increased. An ILO consultant was appointed in 1987 and 1988 to assist, among other things, in the preparation of legislation regarding employment injury benefits and in improvements to the operations of the Territory's social security system. 33/

B. Public Health

74. The Government remained committed to providing primary health care for all Anguillans by the year 2000. The Territory is served by the 24-bed Cottage Hospital and the Princess Alexandria Hospital, a new 36-bed facility financed by the United Kingdom. In April 1988, the Territory received a large shipment of medical equipment and supplies from a private hospital in Canada. It was reported that the hospital also planned to send three X-ray machines and to install a new intensive care unit.

75. Mr. Eric Reid, Minister for Health, Agriculture and Fisheries, who received the equipment, stated that the Government was addressing the matter of staffing. He pointed out that efforts including the offer of incentives were being intensified to attract local doctors to practice in the Territory. He said that the salary leval had increased substantially and that, with the new hospital on its way, improved health services would soon be available in the Territory.

76. In November 1988, CDB and the United States Agency for International Development (USAID) signed an angreement under the Development Basic Needs Trust Fund, from which Anguilla would receive $US 133,000 for community oriented projects, including the construction of two health clinics. 34/

77. In May 1989, a dental survey of teenagers between the ages of 15 and 19 was conducted by a team led by a specialist responsible for dental research at the London Royal College of Surgeons and the Medical Reseach Council of the United Kingdom. 35/

C. Drugs

78. Press reports indicate that although drug use in Anguilla is currently limited to soft drugs such as marijuana, there is evidence of harder drugs, including cocaine, being introduced into the Territory. The Chief of Police is reported to have said that evidence that he had, and the arrest of an individual, showed that hard drugs were being imported when the tourist season was at its height. He noted also that because of unprotected territorial borders, drug trafficking could pose a problem.

79. In 1988, the Commissioner and the Deputy Commissioner of Police attended conferences in Barbados, the British Virgin Islands and Puerto Rico, at which matters relating to drugs and security were discussed. The meetings were conducted by the United Kingdom Government and the International Criminal Police Organization (INTERPOL). 36/

80. In May 1989, Anguilla put into effect its anti-drug law known as "The Drug Trafficking Offence Ordinance, 1988", which was published in the Official Gazette on 29 December 1988.

81. The above law and the "Drugs (Prevention of Misuse) Ordinance" of 1987 provide for the control and prevention of drug trafficking in Anguilla as well as in the

surrounding waters; the seizure of aircraft and vessels engaged in illegal drug trade; the confiscation of property whether on Anguilla or abroad, including profits from drug trafficking; and the imposition of heavy fines or imprisonment for offenders.

82. During the period under review the local press expressed concern regarding the number of visitors to the Territory who had been caught in possession of dangerous drugs. On each occasion, the offenders had pleaded guilty and had been fined. In all cases, however, they had stated that they were unaware that the police would charge them for possession of small quantities of dangerous drugs. The local press called on visitors to observe the laws. 31/

V. EDUCATION

83. Education is compulsory for all children between 5 and 14 years of age, and is free at the primary and secondary levels. In 1986, the latest year for which figures are available, there were 1,493 children and 66 teachers in the primary schools and 634 students and 39 teachers in the government secondary school.

84. Major developments concerning education include the completion of the Valley College, the introduction of a comprehensive system of education and the establishment and appointment of a review committee to study the Territory's education system. 37/

85. According to the local newspaper, education has received a great deal of attention because of the current growth and development of the Territory's economy and the related demand of both the public and private sectors for skilled employees. In August 1988, a spokesman for the Department of Education stated that the introduction of the comprehensive education system was appropriate to the needs of the Territory at that time. Under the system, students were given courses that met their individual abilities and learning skills. He cautioned that the system was still relatively new and that it did not have the manpower, resources and curriculum in place to accommodate it. He noted that each year the system lost a number of highly skilled teachers, mainly to the private sector where higher wages were offered.

86. At its session in October 1988, the House of Assembly decided to establish an education review committee. Later in the same month, a team of experts, composed of an education planner from the British Development Division in the Caribbean, the Resident Tutor of the University of the West Indies stationed in Saint Kitts and Nevis and the Chief Education Officer of Anguilla, was appointed to review the Territory's educational system. The areas to be considered included management and administration, curriculum development, student performance in local and overseas examinations, etc. The team was called on to prepare a five-year education development plan to meet the manpower needs of Anguilla, as well as to make recommendations on cost-effectiveness (see A/AC.109/975, paras. 67-70).

87. In April 1989, it was announced that Anguillan education officials would join their Caribbean counterparts in the seventh biennial Eastern Caribbean Standing

Conference on Teacher Education, to be held on Barbados that month. "Assessing teacher competence" was the theme chosen for the Conference. The participants would be drawn from the ministries of education and teacher-training institutions in the eastern Caribbean. 5/

Notes

1/ The information contained in this paper has been derived from published reports and from information transmitted to the Secretary-General by the Government of the United Kingdom of Great Britain and Northern Ireland under Article 73 e of the Charter of the United Nations on 7 July 1988 for the years 1986 and 1987. The facts and figures relating to those years, as well as to the year 1988, are the latest information available.

2/ Anguilla, "National Accounts Statistics, 1984-1987", May 1988.

3/ Vantage (Anguilla), 8 September 1989.

4/ Anguilla, "Report of the Constitution Review Committee" (6 April 1988).

5/ Vantage (Anguilla), 17 November 1989.

6/ Ibid., 3 April and 5 May 1989.

7/ The Democrat (Saint Kitts and Nevis), 20 January 1990.

8/ Vantage (Anguilla) [no date].

9/ Ibid., 13 March 1989.

10/ Ibid., 21 July 1989.

11/ Official Records of the General Assembly, Forty-fourth Session, Fourth Committee, 14th meeting, para. 7.

12/ A/43/480, annex.

13/ Vantage (Anguilla), 13 August 1988.

14/ Ibid., 31 October 1988.

15/ Daily News (United States Virgin Islands), 7 November 1988.

16/ The currency of the Territory is the East Caribbean dollar ($EC). One United States dollar ($US 1.00) is equivalent to $EC 2.70.

17/ Vantage (Anguilla), 29 August 1988.

18/ United Kingdom of Great Britain and Northern Ireland, House of Commons, Parliamentary Debates (Hansard), 13 November 1989, vol. 160, No. 173.

Notes (continued)

19/ Vantage (Anguilla), 1 January 1990.

20/ The Caribbean Development Bank, Annual Report, 1986 (Barbados).

21/ Vantage (Anguilla), 6 May 1988.

22/ Ibid., 2 April, 6 May, 3 and 11 June and 14 November 1988.

23/ Ibid., 23 June 1989.

24/ Ibid., 1 December 1989.

25/ Ibid., 13 December 1989.

26/ Ibid., 12 May 1989.

27/ Ibid., 13 March and 7 July 1989.

28/ Ibid., 9 June 1989.

29/ Ibid., 6 January 1990.

30/ Anguilla, Statistical Unit, "Statistical Review of Tourism" (1987).

31/ Vantage (Anguilla), 20 March 1989.

32/ DP/CN/ANL/1.

33/ Vantage (Anguilla), 11 June 1988.

34/ Ibid., 7 November 1988.

35/ Ibid., 26 May 1989.

36/ Ibid., 25 April and 31 October 1988.

37/ Ibid., 29 August and 31 October 1988.

UNITED
NATIONS

A

General Assembly

Distr.
GENERAL

A/AC.109/1027
2 April 1990

ORIGINAL: ENGLISH

SPECIAL COMMITTEE ON THE SITUATION
WITH REGARD TO THE IMPLEMENTATION
OF THE DECLARATION ON THE GRANTING
OF INDEPENDENCE TO COLONIAL
COUNTRIES AND PEOPLES

MILITARY ACTIVITIES AND ARRANGEMENTS BY COLONIAL POWERS IN TERRITORIES UNDER THEIR ADMINISTRATION WHICH MIGHT BE IMPEDING THE IMPLEMENTATION OF THE DECLARATION ON THE GRANTING OF INDEPENDENCE TO COLONIAL COUNTRIES AND PEOPLES

BERMUDA

Working paper prepared by the Secretariat

1. Basic information on military activities and arrangements in Bermuda is contained in the previous working paper prepared by the Secretariat (A/AC.109/996). Supplementary information is set out below.

2. Since 31 March 1976, a Senior Resident Naval Officer has represented the Royal Navy of the United Kingdom of Great Britain and Northern Ireland in Bermuda and has been in charge of a naval dockyard facility, the HMS Malabar. The officer is responsible for administration of the military installation on Ireland Island on behalf of the Commander-in-Chief, Fleet, at Northwood, Middlesex, England, and for co-ordination of plans of the North Atlantic Treaty Organization (NATO) for the defence and support of the Territory. It was reported that in March 1990 a new Royal Navy Commander would be appointed as the Commanding Officer of HMS Malabar and Senior Resident Naval Officer in Bermuda. 1/

3. The Government of Canada maintains a military base at Daniel's Head, Somerset, at the western end of Bermuda.

4. The United States of America maintains military installations in Bermuda under the United States Base Agreement of 1941, which is to expire in 2040. The two existing facilities, namely, the Naval Air Station at St. George's and the King's Point Naval Station, are operated by the United States Navy. Together they

comprise about one tenth of Bermuda's total area. Some of the functions of the commanding officer of the Naval Air Station are: (a) Task Group Commander of anti-submarine warfare in the area surrounding Bermuda; (b) Director of Naval Shipping; and (c) United States co-ordinating authority in Bermuda. Approximately 1,500 enlisted personnel, including some 100 marines, are reportedly under his command.

5. The National Aeronautics and Space Administration (NASA) of the United States maintains a tracking station on Cooper's Island as part of its world-wide space flight tracking and data network.

6. In a letter dated August 1988 addressed to the Environment Minister of Bermuda, the commanding officer of the United States Naval Air Station in Bermuda wrote that the United States military installations had removed toxic waste amounting to over 75,700 litres of liquid and 100 tons of solid in fiscal year 1987. The wastes had been removed by contractors on a quarterly basis and shipped to the United States for burial, incineration or reclamation. The Canadian facility was also reportedly removing toxic wastes under Canadian environmental law, shipping all hazardous wastes back to Canada on military transports. The British Royal Navy, according to its spokesman, makes arrangements to dispose of the minuscule quantities of hazardous waste "like any other Bermudian household". 2/

7. In January 1990, the United States Naval Air Station announced that it had ceased hiring local civilians employees in Bermuda. Between 15 and 20 Bermudians, however, would apply for work at the base in 1991 for such civilian occupations as school teachers. 3/ The 205 Bermudians and foreign civil employees already working at the base would not be affected.

8. According to the Commander of the United States forces in Bermuda, American military strength in the Territory could be reduced by more than 10 per cent. Some 200 United States military personnel are expected to be transferred permanently out of the United States Naval Air Station in Bermuda. The reduction of American military personnel in the Territory could have a negative effect on the local economy. The 2,665 United States navy personnel and dependants generate more than $US 80 million worth of spending annually. The Commander said that the transfers of military personnel were due to a reduction in the number of P-3 Orion surveillance aircraft stationed on Bermuda. It should be recalled that a squadron of nine P-3 Orion anti-submarine bombers, which are capable of carrying nuclear-tipped missiles and depth charges, are stationed on Bermuda at any one time. According to United States Navy plans, only four P-3 Orion aircraft would remain stationed on Bermuda. The Commander reaffirmed that maintenance and operation of the Teritory's airfield would continue as guaranteed under the terms of the 99-year Leased Bases Agreement that was signed by the Governments of the United Sates and the United Kingdom in 1940. 4/

9. The Commander of the United States Naval Air Station stated on 8 February 1990 that United States military presence on Bermuda would be maintained despite the growing rapprochement between United States and the Union of Soviet Socialist Republics. He added that "Bermuda, by sheer nature of its geographical location, will always remain strategically important". 5/

Notes

1/ The Royal Gazette (Hamilton), 15 February 1990.

2/ The Caymanian Compass, 13 June 1989.

3/ The Royal Gazette (Hamilton), 13 June 1989.

4/ Ibid., 30 January 1990.

5/ Ibid, 9 February 1990.

UNITED NATIONS

A

General Assembly

Distr.
GENERAL

A/AC.109/1028
3 April 1990

ORIGINAL: ENGLISH

SPECIAL COMMITTEE ON THE SITUATION WITH REGARD TO THE IMPLEMENTATION OF THE DECLARATION ON THE GRANTING OF INDEPENDENCE TO COLONIAL COUNTRIES AND PEOPLES

ACTIVITIES OF FOREIGN ECONOMIC AND OTHER INTERESTS WHICH ARE IMPEDING THE IMPLEMENTATION OF THE DECLARATION ON THE GRANTING OF INDEPENDENCE TO COLONIAL COUNTRIES AND PEOPLES IN NAMIBIA AND IN ALL OTHER TERRITORIES UNDER COLONIAL DOMINATION AND EFFORTS TO ELIMINATE COLONIALISM, APARTHEID AND RACIAL DISCRIMINATION IN SOUTHERN AFRICA

BERMUDA

Working paper prepared by the Secretariat

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INTRODUCTION

1. Earlier information on economic conditions in Bermuda with particular reference to foreign interests is contained in the working paper on the subject prepared by the Secretariat in 1989 (A/AC.109/997). The working paper for the current session of the Special Committee (A/AC.109/1025) provides more recent information on general economic conditions in the Territory. Supplementary information on the activities of foreign economic interests in Bermuda is set out below.

I. GENERAL 1/

2. Bermuda's economy is based almost entirely on two principal service industries, namely, tourism and international company business, which, for a number of years, expanded at a steady pace. The Minister for Tourism sets policy on such matters as marketing strategy, hotel phasing and assessment, cruise ships and aviation. The Finance Minister is in charge of the Government's policy with regard to international business, including creating and regulating the proper environment for international company business.

3. The participation of local inhabitants in the general economic development is protected under the law in a number of ways. There is legislation to ensure that Bermudians benefit fully from and control the economic activities generated by the hotel industry and international business. Foreign investment in local companies doing business on Bermuda is restricted to 40 per cent. Under the Companies Act 1981 and the Insurance Act 1978, international companies are prohibited from doing business locally and from owning land, mortgages and land-backed bonds. Property ownership by foreigners is restricted, hence the number of properties available to foreigners is limited. In addition, the Government of Bermuda is committed to a policy of "Bermudianization", which guarantees the right to employment to every qualified Bermudian over that of a foreign applicant of equal qualifications.

4. On 21 October 1988, the Senate of the Congress of the United States of America ratified the United States-Bermuda Tax Treaty. The Treaty allows United States companies to deduct expenses incurred at conventions held on Bermuda from their income tax returns. It qualified Bermuda as a place where United States foreign sales corporations can set up subsidiary operations and receive United States trade export incentives. It also puts Bermuda-based insurance companies on an equal footing with those in Barbados by being granted exemption from excise taxes on United States insurance risks.

5. The Treaty establishes rules for direct communication between the Finance Minister of Bermuda and the Treasury of the United States for the exchange of information on taxes, an important goal for the United States Administration in its war against the laundering of money obtained from drug trafficking and tax evasion.

II. INTERNATIONAL BUSINESS ACTIVITY

6. According to international experts in the "captive" insurance industry, 2/ Bermuda should remain a major offshore base in this field because of its proximity to the United States, its favourable regulatory environment and its privileged location in terms of time zones. The new United States-Bermuda Tax Treaty is expected to have a significant impact on the Territory's ability to attract international insurance companies.

7. At the end of 1988, 6,359 international companies were registered in Bermuda and the Territory continued to attract other companies. Because of its limited space and housing facilities, however, the Territory has great difficulty in expanding this vital sector of the economy. Bermuda could not, for example, absorb a conglomerate like Jardine Matheson of Hong Kong, which moved its headquarters in 1984 to Bermuda where it employs 4 persons, compared with 11,000 in Hong Kong. There is also considerable resentment among Bermudians regarding expatriates filling the best jobs and contributing to the rise of property taxes.

8. International companies are exempt from local tax and from the requirement for local companies that 60 per cent of their shareholding must be in Bermudian hands. The international companies include a wide range of multinational trading and investment companies. Captive insurance companies, mostly from the United States, continue to be attracted to Bermuda, although they do not benefit from any real tax advantages and bring substantial premium income into the Territory. 3/

9. On 21 January 1990, 4/ the Government of Bermuda decided to eliminate stamp duties paid by international companies in an effort to attract new business and to make Bermuda significantly more competitive. Further, the Government has plans to impose the 5-per cent employment tax already paid by local companies, on international companies with employees actually working on Bermuda. The latter decision was criticized by insurance companies that have Bermuda-based employees.

10. A conference on the European Community held on Bermuda in January 1990 5/ focused on the future tax changes to be adopted in Europe after 1992 and their impact on the economy of Bermuda. Although the majority of the captive insurance companies is United States owned, a substantial number is owned by European companies and the new laws are likely to eliminate the tax advantages that had attracted the latter to Bermuda. The Conference recommended that the Government should attempt to negotiate some form of double-tax treaty with Europe or impose some form of profit-based tax on European captive insurance companies on Bermuda.

III. SHIPPING

11. The role played by the shipping registry in the Territory's international business sector is expanding. The registration of ships has resulted in direct and indirect employment in both government and private sectors. It has also provided substantial revenue to the Government. The increase in tonnage was a result of efforts by the Government of Bermuda to make the registry both reputable and competitive.

Notes

1/ The information contained in this paper has been derived from published reports.

2/ The Royal Gazette (Hamilton), 15 July 1988.

3/ The Financial Times (London), 30 August 1989.

4/ The Royal Gazette (Hamilton), 22 January 1990.

5/ Ibid., 8 January 1990.

UNITED NATIONS

A

General Assembly

Distr.
GENERAL

A/AC.109/1029
11 April 1990

ORIGINAL: ENGLISH

SPECIAL COMMITTEE ON THE SITUATION WITH REGARD TO THE IMPLEMENTATION OF THE DECLARATION ON THE GRANTING OF INDEPENDENCE TO COLONIAL COUNTRIES AND PEOPLES

UNITED STATES VIRGIN ISLANDS

Working paper prepared by the Secretariat

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UNITED STATES VIRGIN ISLANDS 1/

I. GENERAL

1. The United States Virgin Islands are situated 75 kilometres east of Puerto Rico and comprise about 50 islands and islets, the largest of which are St. Croix (218 square kilometres), St. Thomas (73 square kilometres) and St. John (52 square kilometres). The capital of the Territory, Charlotte Amalie, is located on St. Thomas.

2. In adjusted census figures for 1980, the population was 96,569 (49,725 persons were located on St. Croix, 44,372 on St. Thomas and 2,472 on St. John). Between 1985 and 1986, however, the size of the population (estimated) declined for the first time in 27 years, dropping 1.2 per cent from 110,800 to 109,500. In 1988, the population was 103,200 (51,300 on St. Croix, 49,260 on St. Thomas and 2,640 on St. John), a decline of 2.6 per cent from 1987. (The decline in 1987 from 1986 was 3.5 per cent.) 2/

3. The climate is subtropical and is moderated by the trade winds. The Territory has an average annual rainfall of 114 centimetres (45 inches) and lies in the hurricane belt.

4. On 17 and 18 September 1990, the Territory was struck by Hurricane Hugo with gusts of winds of up to 175 miles (282 kilometres) per hour sustained over a 12-hour period. The hurricane caused extensive damage to the infrastructure of the Territory, to residential and commercial buildings and to the tourist industry. The island of St. Croix suffered more severely, with 90 per cent of buildings damaged or destroyed. Total loss was estimated at over $1 billion, or the equivalent of the Territory's annual gross national product.

5. The Government of the United States of America provided disaster relief funding through its Federal Emergency Management Agency (FEMA) with a line of credit of $135 million, of which $70.3 million was received by the territorial Government on 30 January 1990. In his State of the Territory Address on 21 February 1990, the Governor, Mr. Alexander Farrelly, announced a comprehensive economic recovery programme which, he asserted, would be the greatest ever undertaken in the Territory, if not in the Eastern Caribbean region. The effects of Hurricane Hugo on the economy and the territorial Government recovery programme are outlined below.

II. CONSTITUTIONAL AND POLITICAL DEVELOPMENTS

A. Constitution

6. The Revised Organic Act of the Virgin Islands, 1954, as amended 1968-1972, remains the Constitution of the Territory. The Government consists of three distinct branches: executive, legislative and judicial. The Governor, who is the chief executive, and the Lieutenant-Governor are elected jointly for a four-year term.

7. The Governor is responsible for administering all activities of the executive branch, including the appointment and removal of all staff, and executing federal and local laws, including the application in the United States Virgin Islands of those provisions of the United States Constitution that are not inconsistent with the islands' status as an incorporated Territory of the United States. The Governor may recommend bills to the Legislature and veto any legislation, as provided in the Revised Organic Act.

8. The United States Secretary of the Interior has the power to appoint a federal comptroller for the Territory (who may not be a member of any executive department of the territorial Government) whose functions include improving the efficiency and economy of government programmes and auditing and supervising the use of federal funds. Since early 1983, the role of federal comptroller has been assumed by the Inspector-General, United States Department of the Interior.

9. The Legislature, also known as the Senate, is a unicameral body consisting of 15 senators elected by universal adult suffrage for a two-year term: seven from St. Croix, seven from St. Thomas and St. John and one who must be a resident of St. John but is elected at large by the voters of all the islands. Each bill passed by the Legislature must be signed by the Governor in order to become law. A two-thirds vote of the Legislature is necessary to override a gubernatorial veto.

10. In order to be eligible to register as a voter, a person must be a citizen of the United States, must be 18 years of age or older and must have been a resident of the Territory for 30 days. The Legislature is empowered to prescribe other qualifications provided that no property, language or income qualifications may be imposed and that no discrimination be made on the grounds of race, sex or religious belief. The Absentee Voter's Bill, which was signed into law on 28 July 1972, provides for absentee voting procedures.

11. Since 1973, the Territory has sent a non-voting delegate to the United States Congress, more specifically its House of Representatives. The delegate, whose term is for two years, is elected by majority vote.

B. The judiciary

12. Under the Territory's judicial system, the District Court of the United States Virgin Islands (established by federal law) exercises appellate jurisdiction over the territorial Court (established by local law) in civil and criminal cases. The United States Court of Appeals for the Third Circuit, Philadelphia, and the United States Supreme Court exercise appellate jurisdiction over the District Court.

13. During the period under review, both the Governor and the head of the Third Circuit Court made statements regarding the crisis in the judicial system in the Territory and the need to fill two federal judgeships. The Judge noted that the failure of the United States to fill those vacancies, one since 1987, had caused the worst backlog of cases he had seen in his 26 years as a federal court judge. It was reported that in March 1988, the Judicial Conference of the United States, a policy-making body, had declared a judicial emergency in the Territory. At the end

of 1989, 1,610 federal cases were pending in the Territory with no resident judge to adjudicate. In the mean time, judges from the United States were dispatched to the Territory. 3/ It was reported in March 1990 that the President of the United States had nominated a local attorney for one of the judgeships. The nomination would go before the United States Senate for confirmation. 4/

C. Constitutional development

14. It was reported in November 1989 that the President of the Senate of the United States Virgin Islands had announced his intention to sponsor legislation which would provide for the introduction of a system of municipal governments. Under the terms of the bill, the island of St. Croix would be given a greater degree of autonomy over its affairs. The President of the Senate noted that provision would be made for the seven senators of St. Croix to form a separate body to run the affairs of the islands under a political structure similar to the district councils which had existed during the 1930s.

15. According to the 24 November 1989 issue of the local newspaper The Daily News, the proposed legislation reflected years of widespread sentiment on St. Croix for more self-government as well as resentment among Crucians against the remote and indifferent government 64 kilometres away on St. Thomas, the Territory's main island. The editorial stressed that although the bill could be passed by a simple majority the President of the Senate favoured a referendum on the issue to ensure public support for such a radical change. The editorial cautioned that that was a complicated political issue with serious economic implications and highly charged emotional overtones.

16. In a related development, the President of the Senate confirmed at a press conference in January 1990 that he had requested a legal opinion from the United States Department of the Interior on whether the territorial Legislature had the power to create a municipal government. He noted, however, that a referendum to be held in November 1990 calling for a constitutional convention could be the first step in such a process. 5/

D. Political parties and elections

17. There are three political parties in the Territory: the Democratic Party of the Virgin Islands, with over 18,000 registered voters; the Independent Citizens Movement; and the Progressive Republican Party of the Virgin Islands, each with over 2,000 registered voters. An estimated 34,000 are registered to vote.

18. General elections are held every two years for the 15 seats in the Senate of the Virgin Islands, for the Territory's delegate to the United States Congress and to the territorial Board of Education. Elections for the office of Governor and Lieutenant-Governor are held every four years. The most recent gubernatorial elections were held in November 1986. The Governor is limited to two consecutive terms. On 8 November 1988, general elections were held in the Territory for the Senate, the delegate to Congress and the Board of Education. In the final results, the Democratic Party won nine seats, the Republican Party three and the Independent

Citizens Movement one. The remaining two seats were won by independent candidates. Following political realignments, a nine-member Senate Majority was formed by a coalition group comprising seven Democrats, one Independent and one Republican. The officers of the Eighteenth Legislature are: Senate President, Bent Lawaetz; Vice-President, Robert O'Connor; Secretary, St. Claire Williams; and Majority Leader, Lorraine Berry. Senator Kenneth Mapp was elected leader of the six-member Minority. The Territory's incumbent delegate to the United States Congress was re-elected for an eighth term.

19. Under the Constitution, general elections for the Legislature, Governor and the delegate to Congress are due in November 1990. A referendum on the political status of the Territory, scheduled to be held in November 1989, was postponed because of Hurricane Hugo (see paras. 21-23).

E. Future status of the Territory

20. Information on developments concerning the future status of the Territory, including action taken by the General Assembly on 22 November 1988, is contained in the previous working paper (A/AC.109/986). Recent developments are outlined below.

Position of the territorial Government

21. The Commission on Status and Federal Relations, established by the Territory's Legislature in March 1988, had scheduled a referendum for 14 November 1989 on seven political status options (statehood, independence, free association, incorporated Territory, status quo, Commonwealth or compact of federal relations), after having carried out a process of public education. According to press reports of October and November 1989, the territorial Government, on the recommendation of the Status Commission, decided to postpone the referendum to 1991, a non-election year. The decision was taken in view of the destruction and dislocation caused by Hurricane Hugo, which would require a lengthy period of recovery and reconstruction.

22. Under the new arrangements, the initial ballot would be held in June 1991 and would enable the electorate to choose from three categories of options: (a) statehood and incorporated Territory; (b) compact of federal relations, Commonwealth and status quo; and (c) independence and free association. Balloting to select an option in the preferred category would be held in November 1991. Provision has been made for a run-off election to be held in December 1991 if none of the status options receive 50 per cent of the votes plus one.

23. The Commission, which had suspended its meetings in late November 1989 would reconvene in November 1990, after the general elections, to resume work on the public education campaign scheduled to start in January 1991. 6/

Position of the Administering Authority

24. In his statement to the Fourth Committee of the General Assembly on 23 October 1989, 7/ the representative of the United States said that self-determination had been a central theme of United States policy ever since it

had achieved independence more than two centuries ago. General Assembly resolutions 1514 (XV) of 14 December 1960 and 1541 (XV) of 15 December 1960 had made clear that the process leading to self-determination could result in different forms of political status, including independence, free association with an independent State, or integration with an independent State. The key element in both those resolutions was that the citizens of a Non-Self-Governing Territory must have the right to exercise their judgement about their future, free from coercion of any kind.

25. His Government believed that the three United States Territories, including the United States Virgin Islands, had become virtually self-governing. Each Territory was represented in the United States House of Representatives by an elected delegate who could vote in any committee and serve as chairman of any sub-committee. Free elections were held on a regular basis. The people of those Territories, while desiring to maintain their unique cultural identity, had affirmed and reaffirmed in election after election their strong desire to maintain a close relationship with the United States. The United States Government stood ready to respond to their wishes regarding their future political status whenever they indicated the direction in which they wished to proceed.

26. The representative informed the Committee that Hurricane Hugo had devastated the United States Virgin Islands. He outlined the assistance provided by various agencies and departments of his Government, including FEMA, the National Guard, the Navy and the United States Army Corps of Engineers.

27. In the same statement, the representative noted that there were no military bases or troops permanently stationed in the Territory. He stressed his Government's strong reservations on the texts of United Nations resolutions before the Fourth Committee, dealing with United States Territories, including the United States Virgin Islands. The resolutions suggested that the administration of those Territories was inadequate. His Government wished to maintain a constructive approach and would work as actively as in the past to resolve concerns.

Action taken by the General Assembly

28. On 11 December 1989, the General Assembly adopted resolution 44/99 on the question of the United States Virgin Islands. The resolution reaffirmed that it was ultimately for the people of the United States Virgin Islands themselves to determine their future political status in accordance with the relevant provisions of the Charter of the United Nations, the Declaration on the Granting of Independence to Colonial Countries and Peoples and the relevant resolutions of the General Assembly and, in that connection, called upon the administering Power, in co-operation with the territorial Government, to facilitate programmes of political education in the Territory in order to foster an awareness among the people of the possibilities open to them in the exercise of their right to self-determination. The Assembly also called upon the administering Power to continue to take all necessary measures, in co-operation with the territorial Government, to counter problems related to drug trafficking. The administering Power was urged to facilitate the participation of the United States Virgin Islands in various international and regional organizations.

F. Public service

29. In September 1989, there were 13,170 public employees, of whom 700 were federal employees and 12,470 were employed by the territorial Government. 8/

30. In his State of the Territory Address, the Governor announced that the Government's programme of reorganization and consolidation of executive departments and agencies, which had been started over three years earlier (see A/AC.109/986, para. 34), had resulted in a much improved and better governmental structure. He also announced that, despite the disruption of the economy caused by Hurricane Hugo, the Government was nevertheless able to earmark $37 million for the retroactive payment of salary and interest to government employees.

31. At the end of 1989, assets of the Government Employees Retirement System (GERS) stood at $340 million. In 1990, Segal Advisors Inc., an actuarial firm monitoring the management of GERS, published a report on the system covering a period of eight and a half years. It noted that at the beginning of the period the fund had had $71 million in assets. Government and employee contributions over the period had accounted for a further $71 million and investments had produced earnings of $198 million. Net earnings represented an annual return rate of 13.4 per cent over the reporting period. GERS has five investment managers: Alliance, Merrill Lynch, Oppenheimer, Neuberger and Berman, and Loomis and Sayles. In addition, GERS held $90 million in assets not controlled by those managers. 9/

32. The Governor's veto of a comprehensive early retirement bill was overridden in March 1990. The bill would allow government employees to retire with full benefits after 30 years of service, regardless of age, would increase government contribution to the pension fund (estimated to be $20.9 million by April 1993) from 11 to 14.5 per cent and employees' contributions (estimated to be $17.6 million over the same period) from 6 to 8 per cent. In exercising the veto, the Governor stated that approval of the bill could be interpreted by the federal Government as a move to finance an increasingly generous retirement system and to disqualify the Territory from receiving federal disaster assistance to cover its multimillion-dollar deficit for 1990. 10/

G. External relations

33. The Territory has conti ued to expand its co-operation with other Caribbean Governments and its participation in conferences and programmes organized by Governments, international organizations and agencies for the Caribbean subregion. The Governor and other officials of the Territory attended the annual Miami Conference on the Caribbean in December 1989.

34. The Territory is an associate member of the Economic Commission for Latin America and the Caribbean (ECLAC) and its subsidiary bodies and, in that connection, hosted the Eleventh Ministerial Session of the Caribbean Development and Co-operation Committee in November 1988. The representative of the Territory, as Chairman of the Caribbean Development and Co-operation Committee (CDCC), made statements before the Special Committee and the Fourth Committee on 7 August and

12 October 1989 respectively. In those statements, the representative drew attention to the activities of CDCC relating to Non-Self-Governing Territories (see A/AC.109/PV.1348) and to the effects of Hurricane Hugo on several of its member countries, including the British Virgin Islands, Montserrat and the United States Virgin Islands. 11/

35. The special relationship between the Territory and its close neighbours, the British Virgin Islands and Puerto Rico, continued to strengthen during the period under review. The annual Friendship Day celebrations of the British Virgin Islands and the United States Virgin Islands were not held in 1989, however, owing to the extensive damage caused by Hurricane Hugo to both Territories. On 7 October, the Chief Minister of the British Virgin Islands led a delegation to the Territory to hold discussions with his counterpart on areas of mutual interest and on progress made in their respective reconstruction programmes. Efforts for the revitalization of the Inter-Virgin Islands Conference continued throughout the period and arrangements were made for a meeting of the organization to take place on 10 April 1990 on Tortola. In November 1989, the Government of Puerto Rico dispatched about 140 workers and 43 vehicles to St. Croix to assist in restoring the electricity and water supply damaged by Hurricane Hugo.

36. According to press reports, the Territory continued to seek membership in the Organization of Eastern Caribbean States (OECS) and in the Caribbean Community and Common Market (CARICOM) during the period under review. In September 1989, the Governor announced his intention to pursue membership in both organizations because they promote economic development, technical co-operation and trade, and membership in those organizations would give the Territory a closer relationship with the remainder of the Caribbean. 12/ In an address before the Twenty-fifth Annual Convention of the Ruling People's Action Movement in St. Kitts, in February 1990, the Governor announced that he had requested permission from the United States Government to join OECS. 13/

H. Other develoments

State of emergency

37. On 20 September 1989, in the aftermath of Hurricane Hugo's devastation of St. Croix, the President of the United States issued a proclamation authorizing the deployment to the Territory of six Coast Guard cutters, 1,100 military personnel and over 100 United States Marshals and agents of the Federal Bureau of Investigation (FBI). The proclamation noted that conditions of domestic violence and disorder had endangered life and property and had obstructed law enforcement. According to the White House Press Secretary, the President's decision had been based on a thorough assessment of the situation by appropriate federal authorities and on a request by the Governor of the United States Virgin Islands for federal assistance. 14/

38. The Governor denied that there had been a breakdown of law and order in the Territory, including St. Croix. He stated that news accounts had exaggerated the extent of civil disorder. United States federal law-enforcement officials discounted reports of rioting. 15/

39. During the state of emergency declared in the aftermath of Hurricane Hugo, a curfew was imposed and several persons were arrested for looting and other offences. The United States military personnel were withdrawn in November, at the request of the Governor, and were replaced by detachments of National Guard units of Washington, D.C. These were in turn withdrawn in mid-December 1989. The curfew was lifted on 3 January 1990 following several legal challenges. 16/

III. MILITARY INSTALLATIONS

40. The United States Navy currently maintains a radar and sonar calibration station and a headquarters building for its underwater tracking facility. There are permanent centres for the armed forces and a detachment of the United States Coast Guard on St. Thomas. Improvements were made to the facilities of the Virgin Islands National Guard, which is affiliated with the United States Army. The Territory remained a port of call for United States naval vessels and those of its allies. (For recent developments, see the working paper on military activities and arrangements in the United States Virgin Islands (A/AC.109/1030).)

IV. ECONOMIC CONDITIONS

A. General

41. The economy of the Territory is based on tourism and related services, construction and industrial development. The Territory is a centre for international business and, since 1985, has been the location of over 80 per cent of the United States foreign-sales corporations. The development of agriculture has remained a priority of the Government's overall policy of diversification. In 1988, the latest year for which figures are available, the consumer price index rose by 4.1 per cent. 2/

42. In his State of the Territory Address, the Governor reported that prior to the devastation wrought by Hurricane Hugo, all economic indicators had reflected a strong and vibrant economy. The territorial Government had forecasted an increase in both air and cruise-ship tourists of approximately 10 per cent compared to their previous all-time-high records. The industrial development programme had been expected to attract an estimated $100 million in new investment and to create at least 1,000 new jobs. A new industrial building had been completed and business tenants had been identified.

43. The outlook for agriculture was good and greater production was expected. The Territory was becoming a prime location for film production and the first steps had been completed towards the development of a comprehensive capital development programme estimated to cost $330 million over a four- to seven-year period. The Governor outlined further successes in his administration's programme in the areas of education, health, human services, public works, the environment and public finance.

44. Hurricane Hugo caused extensive damage to the basic infrastructure of the Territory and devastated St. Croix, where 90 per cent of the buildings were

ruined. Initial estimates of damage to the public sector were in excess of $300 million, but the actual loss will not be known until reconstruction has been completed. In the private sector, residential housing and the tourist industry suffered losses of approximately $500 million and $198 million, respectively. Damage to commercial buildings was assessed at $150 million.

45. The Governor noted that the United States Government had provided substantial assistance through various departments and agencies, including FEMA. On 30 January 1990, the territorial Government received approval from FEMA for expenditures of $70.3 million, out of a line of credit of $135 million (see para. 5).

46. Outlining the strategy of the Territory's economic recovery programme, the Governor said that it would enhance and expand governmental effectiveness, utilize and broaden available resources, harness the energies of the private sector and encourage the involvement of individuals and community groups. He stressed that the rebuilding of the infrastructure represented the single largest economic development programme and that Hurricane Hugo had given the Territory the opportunity to build a modern infrastructure to replace an aging and substandard one. The infusion of federal funds represented an unparalleled opportunity to expand and build businesses and institutions, as well as provide long-term prospects for developing a diverse and viable local economy.

B. Public finance

47. In early March 1990, the Virgin Islands Senate Finance Committee approved an operating budget of $379.8 million for the Territory, based on its assessment of $338 million in revenue from projected increases in collections of property and gross receipt taxes and licence fees. The Governor had proposed a reduced operating budget of $370 million, reflecting over $9 million in cuts in government department and agency funds. Revenue was estimated at $329.1 million and a budget deficit of approximately $40 million was projected.

48. The Senate had earlier authorized the Governor to negotiate with FEMA for a loan of approximately $90 million to cover potential losses over a three-year period to 1992, during the reconstruction of the Territory's economy. The approved budget included a $41.7 million federal disaster loan to cover the projected deficit for 1990.

49. According to press reports, the United States Government had proposed a total of $580 million for the reconstruction of the Territory in the federal budget for 1991. It was also reported that in a statement to the Sub-Committee on Insular and International Affairs of the House of Representatives, the Governor had stated that the damage to the Territory was estimated at over $1 billion and that additional funds would be required for the Territory's recovery efforts, which he had compared to the reconstruction of Europe after the Second World War. 17/

C. Agriculture, livestock and fisheries

50. Agricultural production is on a small scale and the number of farms has declined over the years. There has been a revival in the production of food crops, and small quantities of fruits, vegetables and animal feed have been produced on St. Croix and St. Thomas. Tax incentives have been introduced to encourage further agricultural development and the Government has been making land available to farmers. Large areas of St. Croix have been planted with trees in the expectation of developing the timber trade. Leaves from the bay tree forest on St. John are used extensively in the production of bay rum.

51. In his recent address, the Governor noted that Hurricane Hugo had reversed the favourable outlook on agriculture. While no estimate of damage to farmers was reported, losses to fishermen were estimated at $5.4 million. In January 1990, the Federal Government provided $250,000 to farmers, in addition to having released $50,000 to the Territory in October 1989. 18/ It had previously been reported that the Territory had received no direct federal assistance for agriculture (see A/AC.109/986, para. 53).

D. Industrial development

52. The Territory's industrial sector consists of the Amerada Hess oil refinery, the largest in the Western Hemisphere, and a growing number of small enterprises which produce rum, electronic components, watches and pharmaceutical products. The Martin Marietta aluminium plant on St. Croix ceased operations in 1985 and its 526-hectare facility was subsequently sold to the Clarendon Company, a Switzerland-based corporation, which was reported to be the world's largest trader in alumina and the second largest trader in aluminium.

53. In February 1990, the Governor stated that the Government had previously forecasted a fruitful year for its industrial development programme for 1989, based on such factors as the intense interest in the Territory shown by investors, the construction of a third building in the industrial park and the identification of new tenants. He noted that the Hess oil refinery, which had resumed limited refining activities within two weeks after Hurricane Hugo had caused it an estimated $100 million in damage, had now resumed full production. He noted also that the hurricane had not markedly interrupted ongoing preparations for the reopening of the former Marietta Alumina Processing Plant scheduled for early 1990. The facility, now owned and operated by the Virgin Islands Alumina Company, had suffered minor warehouse and utility damage.

54. According to the Governor, the seven firms comprising the Territory's watch industry had sustained $5.55 million in damage and had ceased production for two weeks. Five firms have since resumed limited operations. The Governor declared that his Government was determined to push forward with its economic development and diversification programme (see also A/AC.109/1034).

E. International business

55. The Lieutenant-Governor continued to be the local authority for the regulation and supervision of domestic and international banks and insurance and other companies. United States federal authorities also supervise United States banks and companies. In 1987, the latest year for which data are available, there were 10,287 business licences, a decline of 16.1 per cent from the figure of 12,265 for 1986. Total bank deposits, which amounted in 1986 to $1.4 billion, decreased in 1987 by 23.5 per cent to less than $1.1 billion.

56. In reviewing the Territory's insurance situation, the Governor informed the Legislature in February 1990 that since January of the previous year progress had been made in the areas of banking and insurance. He stated that stronger regulatory controls, the recruitment of more qualified personnel and the encouragement of domestic companies had transformed the situation. Stronger regulatory controls had resulted in fines of $100,000, other penalties and stronger Government supervision. He noted that one United States-based insurance company had left the Territory, another was in the process of leaving and two others would probably leave. He predicted further difficulties in the insurance market.

57. A major development regarding the activities of financial institutions operating in the Territory was the approval by the Virgin Islands Senate in February 1990 of a bill which would limit the annual payment of local banks to 1 per cent of their holdings, which amount should not exceed $100,000, for four years following an initial three-year exemption. The bill defines a local bank as one at least 50 per cent of whose stockholders are residents of the Territory. 19/ The bill was amended to direct the Government to transact more business with institutions considered to be more community-oriented than their foreign-based competitors.

F. Tourism and related services

58. Tourism and related services remained the Territory's main economic activity. In 1988, the latest year for which complete data were available, there were 1.9 million visitor arrivals. Cruise-ship passengers accounted for 106 visits, an increase of 11 per cent over 1987. Visitor expenditure was $676.4 million, an increase of 8.6 per cent. According to the data, while the number of hotels remained 67, as in 1987, the number of hotel rooms increased by 4.8 per cent from 4,120 to 4,317. Figures for 1989 indicate an overall decrease of 23.6 per cent in the number of rooms occupied, in comparison with 1988 (718,363 bed/nights as compared with 940,993).

59. According to the territorial Government, damage by Hurricane Hugo to the tourist industry, particularly on St. Croix, was estimated at $198 million, with further damage caused by the lawlessness of a segment of the population and the irresponsibility and sensationalism of the press. A joint effort by the Government and representatives of the industry was launched to counteract the negative image of the Territory in the wake of reports of looting. Promotional visits were made to several United States cities and a special advertising campaign to promote

St. Croix offered a visit of seven days for the price of five, between 1 May and 15 December 1990.

G. Communication and basic facilities

60. Information on the Territory's large-scale social and economic infrastructural programme is contained in the previous working papers. The programme is estimated to cost $329 million (see A/AC.109/955, paras. 75-77, and A/AC.109/986, paras. 63 and 64). In his State of the Territory Address, in February 1990, the Governor focused on the extensive damage by Hurricane Hugo to the social and economic infrastructure of the Territory, which exceeded $1 billion. He outlined the approaches by his Administration to obtain resources from various private and public sources, including the United States Government (see also paras. 5 and 45).

61. The Governor stressed that his Government was determined not only to restore public projects and infrastructure destroyed by the hurricane but also to restore them to a level that would lessen economic and social damage from future natural disasters, address the needs of a growing economy and improve the quality of life of all residents. In that connection, he outlined an urgently needed 25-point capital development programme necessary to reconstruct the Territory's badly damaged infrastructure. He noted, however, that it was unlikely that all of the projects would be funded immediately, in the light of the determination of the United States Federal Government to reduce its national debt. The territorial Government would consequently list its projects according to priority and would continue to lobby the United States Congress for the necessary funds to undertake them.

V. SOCIAL CONDITIONS

A. Public safety and crime prevention

62. According to the territorial Government, the Police Department, despite a shortage of manpower, has had an impressive arrest rate for violent crimes; the joint federal and local law enforcement initiatives aimed at drug interdiction, investigation, law enforcement and asset seizures have had a tremendous impact in the recovery of substantial quantities of drugs along the coastline of the Territory in 1989. School authorities, in conjunction with the Police Department, are implementing a school policy on drug use. The role of the Virgin Islands National Guard in the war against illegal drugs has been expanded. The guards would provide support in such areas as search operations, transportation of law enforcement personnel, communications, command and control. In February 1990, the Governor announced that he had mandated the Territory's Drug Policy Advisor to intensify his co-ordinating efforts to expedite the implementation of the many anti-drug programmes planned by the Government. The programmes in progress included the opening of a 40-bed drug treatment facility on St. Croix and the enactment by the Legislature of major anti-drug legislation introduced recently.

B. Labour

63. In September 1989, the labour force was 45,260 and the number of employed persons was 43,870; the unemployment rate was 3.1 per cent (3.5 per cent in September 1988). St. Croix's unemployment rate of 3.9 per cent was higher than St. Thomas-St. John's, which was 2.4 per cent (in September 1988, the unemployment rates were 5.8 per cent and 1.7 per cent respectively).

64. Press reports in early 1990 indicated that the massive reconstruction programme in the aftermath of Hurricane Hugo had resulted in a shortage of labour, particularly in construction and related industries. An on-the-job co-operative training programme between the territorial Government and local contractors was in place and the importation of workers from the United States and the Caribbean was under consideration. In this connection, the Governor emphasized that maximum use must first be made of the local pool of labour. The territorial Government and the United States Department of Labour and the Job Corps were holding negotiations for the dispatch from the mainland to the Territory of local residents who had been trained as electricians, carpenters, painters, brick-layers and plumbers. A senator from the Territory was scheduled to visit Job Corps centres in New York and New Jersey in early February. A spokesman for the International Brotherhood of Electrical Workers and the Carpenters' Union of New Jersey said that the organizations had agreed to supply skilled workers to the Territory for a minimum period of five months at a time. It was reported that the majority of workers who were prepared to go to the Territory were West Indians and Hispanics living in the New York-New Jersey area. 20/

C. Public health

65. The Commissioner of Health remained the authority for public health in the Territory. There are two main hospitals, one on St. Croix and the other on St. Thomas, with a combined total of 508 beds. In addition, there are several clinics throughout the Territory.

66. In his statement on the Territory's recovery programmes, the Governor drew attention to the extent of the damage inflicted by Hurricane Hugo on hospitals and clinics. He noted that in the interim the Norris Decastro Clinic on St. John would serve as the primary health care facility until another clinic had been rebuilt in 1991. The Government had received a new ambulance boat for St. John and new, fully equipped ambulances for distribution throughout the Territory. Construction of a modular hospital covering 6,503 square metres and containing 70 beds for St. Croix was expected to be completed by May 1990 and the use of the Deployable-Medical System (DEP-MED) would be extended until June 1990. Exterior work on the main hospital, which was expected to take between 18 and 20 months, was more than half completed.

VI. EDUCATIONAL CONDITIONS

67. In 1988, school enrolment was 29,729, a decline of 3.5 per cent from 1987. High school graduates totalled 1,409, a decline of 6.6 per cent. The number of

graduates of the University of the Virgin Islands decreased marginally from 260 in 1987 to 258 in 1988.

68. The schools in the Territory suffered major damage from Hurricane Hugo, but were reopened one month later. As a result of an intensive lobbying effort by the territorial Government, the United States Secretary of Education announced the following: (a) the waiver of the 25 per cent local contribution required for federal school rebuilding projects; and (b) a substantial increase in the allocation for school reconstruction. The announcement was made following a visit to the Territory by federal education officials. The Government expressed its determination to have all schools return to normalcy by September 1991.

Notes

1/ The information contained in this paper has been derived from published reports and from information transmitted to the Secretary-General on 13 March 1990 by the Government of the United States of America under Article 73 e of the Charter of the United Nations.

2/ United States Virgin Islands, Bureau of Economic Research, Department of Economic Development and Agriculture.

3/ The Daily News (United States Virgin Islands), 6 January 1990.

4/ Ibid., 8 March 1990.

5/ Ibid., 22 November 1989 and 27 January 1990.

6/ Ibid., 11, 13 and 17 October and 14 November 1989.

7/ A/C.4/44/SR.15, paras. 31-39.

8/ United States Virgin Islands, Labour Market Review, vol. 12, No. 10, October 1989.

9/ The Daily News (United States Virgin Islands), 5 March 1990.

10/ Ibid., 14 March 1990.

11/ A/C.4/44/SR.7, para. 37.

12/ Ibid., 11 September 1989.

13/ Caribbean Insight (London), vol. 13, No. 3, March 1990.

14/ The Washington Post, 21 September 1989.

15/ The New York Times, 22 September 1989.

Notes (continued)

16/ The Daily News (United States Virgin Islands), 23 December 1989 and 4 January 1990.

17/ Ibid., 7 February 1990.

18/ Ibid., 29 January 1990.

19/ Ibid., 24 February 1990.

20/ Ibid., 3 and 17 January 1990.

UNITED
NATIONS

A

General Assembly

Distr.
GENERAL

A/AC.109/1030
11 April 1990

ORIGINAL: ENGLISH

SPECIAL COMMITTEE ON THE SITUATION WITH
REGARD TO THE IMPLEMENTATION OF THE
DECLARATION ON THE GRANTING OF
INDEPENDENCE TO COLONIAL COUNTRIES
AND PEOPLES

MILITARY ACTIVITIES AND ARRANGEMENTS BY COLONIAL POWERS IN TERRITORIES UNDER THEIR ADMINISTRATION WHICH MIGHT BE IMPEDING THE IMPLEMENTATION OF THE DECLARATION ON THE GRANTING OF INDEPENDENCE TO COLONIAL COUNTRIES AND PEOPLES

UNITED STATES VIRGIN ISLANDS

Working paper prepared by the Secretariat

1. Basic information on political, economic and social conditions in the United States Virgin Islands is contained in the general working paper prepared for the current session of the Special Committee (A/AC.109/1029). Supplementary information on military activities and arrangements in the Territory is set out below. 1/

2. In 1967, the Government of the United States of America transferred possession of its former naval base on St. Thomas (an area of 80 hectares) to the territorial Government, but retained the right to reoccupy those facilities. At present, the United States Navy maintains a radar and sonar calibration station on St. Croix and an underwater tracking station off its west coast. The United States Coast Guard maintains a detachment on St. Thomas. The United States Virgin Islands National Guard, which is affiliated with the United States Army, also has its headquarters on St. Thomas. In addition, a permanent recruitment station for the United States armed forces is based on St. Thomas and a recruitment centre for the United States Marine Corps was established on St. Croix in April 1988.

Presence of United States military troops in the Territory

3. On 20 September 1989, the White House Press Secretary issued a statement in which it was announced that the President of the United States, Mr. George Bush, had authorized the deployment to the United States Virgin Islands of such

Department of Defense forces as were necessary, including military police units, to help to restore order in the aftermath of Hurricane Hugo (see the annex to the present paper). The President's decision was based on a thorough assessment of the situation by appropriate federal authorities, and followed a request from Governor Alexander A. Farrelly of the United States Virgin Islands requesting federal assistance. In addition, the President directed the Attorney-General to deploy in excess of 100 United States Marshals and agents of the Federal Bureau of Investigation, who were scheduled to arrive in St. Croix on 21 September 1989. They had been ordered to take all necessary steps to protect federal property and personnel in the Virgin Islands and to exercise all lawful authority necessary to enforce federal law in the Islands.

4. According to press reports, over 1,100 military police officers were deployed to the Territory from United States bases at Fort Hood (Texas), Fort Polk (Louisiana), Fort Leonard Wood (Montana) and Fort Bragg (North Carolina). The troops were transported aboard Air Force C-141 Starlifter transport planes. A spokesman for the United States Department of Defense stated that more troops could be ordered, as additional requirements had been determined. The press noted that it was the first time that the President of the United States had sent federal troops to a United States jurisdiction since the civil rights riots of 1968. 2/

5. The request by the Governor early in November for the withdrawal of the troops from St. Croix created a controversy on that island, as the business community and some residents called for the troops to remain until electricity and telephone services were restored. The Governor, supported by the head of the Virgin Islands National Guard (VING), stressed that the territorial Government believed that the troops were no longer needed to maintain order.

6. In reply to a letter from the President of the Chamber of Commerce requesting that the troops remain, President Bush stated that the Department of Defense and the Department of Justice were of the view that law and order had been re-established on St. Croix and that the troops were no longer needed. 3/

7. Subsequently, St. Croix businessmen, including the President of the Chamber of Commerce, expressed their approval of a security plan for St. Croix that would ensure the safety of residents after the United States military troops had left. As part of that plan, National Guardsmen from Washington, D.C. and police officers from other cities in the United States would assist the local police. Federal troops left the Territory in November 1989 and National Guard reinforcements remained until 18 December 1989. 4/

Appointment of new Adjutant-General of the Virgin Islands National Guard

8. On 23 March 1990, the Governor administered the oath of office to Major-General Charles M. Hood as the new Adjutant-General of VING. In that connection, the territorial Government released a statement on the same day in which it was announced that Mr. Dan Donohue, Public Affairs Officer of the National Guard Bureau, and Major-General Hood visited the Governor and presented him with a letter from Lt.-General John B. Conaway, Chief of the National Guard Bureau. The letter indicated that the Chief was withdrawing federal recognition of

Major-General Robert L. Moorehead, effective 23 March 1990. Another letter informed the Governor of the President's appointment of Major-General Hood as Adjutant-General of VING, also effective 23 March 1990.

9. According to the statement, Governor Farrelly expressed his displeasure at the developments and noted his concern that the Territory was one of two jurisdictions where the appointment of an adjutant-general was made by the President of the United States. The Governor stated that he continued to reject the notion of responsibility without control and that he found the contradiction difficult to resolve. The Governor added that while he was obliged to adhere to a constitutional mandate and support the new Adjutant-General he believed that it was necessary to start the relationship by making his position clear.

10. In the same statement, the Governor reported that Major-General Hood had pledged his full support to him and had stated that he considered it his primary responsibility to groom a successor from within the ranks of VING. 5/

11. The decision by the Government of the United States to appoint a new head of the VING followed the findings of a 17-member review team of the National Guard Bureau which examined the operations of VING before, during and after Hurricane Hugo. The team visited the Territory between October 1989 and January 1990. A summary of the report, which was critical of the performance of the National Guard and the leadership of its Commander, noted that the lack of management of VING and the failure to account for and to employ its personnel were inexcusable. Training weaknesses of the unit were also cited. 6/

12. Attempts by the Governor and the Territory's delegate to the United States Congress, as well as several local senators and community groups, to retain the incumbent, Adjutant-General Moorehead, were unsuccessful. The Governor, in a letter to President Bush in December and in subsequent public statements, expressed his support for General Moorehead and stressed that his removal and the appointment of a new Adjutant-General for VING did not have his concurrence. Both the territorial delegate to Congress and the President of the Virgin Islands Senate criticized the report as incomplete and unbalanced. In a letter to the Secretary of the Army, the delegate to Congress also pointed out that the National Guard Bureau had ignored a standard federal procedure for such cases, which allowed a subject to review and respond to the conclusions before a report was made public. General Moorehead stated that he did not agree with the findings of the review and noted that the facts which had been presented to the review team had not been included in the report. He added that it appeared as though the team had gone to the Territory with a preconceived agenda.

13. In a related matter, it was noted in press reports that the Governors of the 50 states of the United States generally had the power to appoint and remove the local National Guard Commander but that, in the unincorporated territories including the United States Virgin Islands, the Governor could only recommend his choice to the President of the United States, who made the final decision. 6/

Notes

1/ The information contained in this paper is derived from published reports.

2/ Washington Post, 21 September 1989; and The New York Times, 22 September 1989.

3/ Barbados Advocate, 15 November 1989.

4/ The Daily News (United States Virgin Islands), 15 and 17 November 1989.

5/ United States Virgin Islands, Government Public Relations Office, News, No. 282, 23 March 1990.

6/ The St. Croix Avis, 19 December 1989, and 3 and 26 January 1990; The Daily News (United States Virgin Islands), 2, 9 and 27 January 1990.

Annex

THE WHITE HOUSE

Office of the Press Secretary

For immediate release September 20, 1989

EXECUTIVE ORDER

PROVIDING FOR THE RESTORATION OF LAW AND ORDER IN THE VIRGIN ISLANDS

WHEREAS; I have today issued Proclamation No. 6023 pursuant to the provisions of Chapter 15 of Title 10 of the United States Code;

WHEREAS; the conditions of domestic violence and disorder described therein continue, and the persons engaging in such acts of violence have not dispersed;

NOW, THEREFORE, by virture of the authority vested in me as President of the United States and Commander in Chief of the Armed Forces by the Constitution and laws of the United States, including Chapter 15 of Title 10 of the United States Code, it is hereby ordered as follows:

Section 1. Units and members of the Armed Forces of the United States will be used to suppress the violence described in the proclamation and to restore law and order in and about the Virgin Islands.

Sec. 2. The Secretary of Defense is authorized to use such of the Armed Forces as may be necessary to carry out the provisions of Section 1. To that end, he is authorized to call into the active military service of the United States units or members of the National Guard, as authorized by law, to serve in an active duty status for an indefinite period and until relieved by appropriate orders. Units or members may be relieved subject to recall at the discretion of the Secretary of Defense.

In carrying out the provisions of this order, the Secretary of Defense shall coordinate such law enforcement policies with the Attorney General.

Sec. 3. The Secretary of Defense is authorized to determine when Federal military forces shall be withdrawn from the disturbance area and when federalized National Guard units and personnel shall be released from active Federal service.

Sec. 4. The Secretary of Defense is authorized to delegate to subordinate officials of his Department any of the authority conferred upon him by this order.

GEORGE BUSH

THE WHITE HOUSE
September 20, 1989